IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR

INCOME-TAX APPLICATION NO. 14/1997 & 40 OF 1997

Office Notes, Office Memoranda of Coram, appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's orders

CORAM : J.P. DEVADHAR AND
B.P. DHARMADHIKARI, JJ.
APRIL 24, 2007.

Heard Shri Jaiswal, learned counsel for the applicant and Shri Thakkar, learned counsel for the respondent.

These two applications filed by the revenue under Section 256(2) of the Income-tax Act, 1961, were admitted on the following questions of law :

“1. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in holding that no penalty u/s. 271(1)(c) read with explanation 4 thereto is exigible where the assessed income is NIL or negative income ?

2. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in holding that there was no concealment of income or furnishing of

inaccurate particulars ?”

Counsel on both side agreed that the issue raised hereinabove is squarely covered by the decision of the Hon'ble Apex Court in the case of Virtual Soft Systems Limited vs. C.I.T. reported at 289 ITR 83 against the revenue.

In this view of the matter, both these applications are dismissed. Rule discharged. No costs.

JUDGE **JUDGE**

*GS.